Chairman Johnson and members of the Committee, my name is Michael F. Cannon. For the past 18 years, I have been the director of health policy studies at the Cato Institute in Washington, DC.

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I have had the great pleasure to testify before the Kansas legislature on numerous occasions. In 2019, it was my honor to participate in a two-day bicameral roundtable on expanding access to care for low-income Kansans.[1] I testified on this legislation in the Senate last year, and again today on the need for stronger patient protections in health insurance, in particular with respect to so-called "short-term, limited duration insurance" (STLDI), or "short-term medical" (STM) plans.

Patients with expensive medical conditions need better protection than they are receiving from the Patient Protection and Affordable Care Act (ACA), or "ObamaCare." That law is not working as Congress promised.

Economic research shows ObamaCare's "protections" for patients with preexisting conditions are themselves[2] forcing insurers to discriminate against patients with multiple sclerosis, infertility, substance abuse disorders, hemophilia, severe acne, nerve pain, and other conditions.[3] Patient advocacy groups have further alleged such discrimination against patients with cancer, cystic fibrosis, hepatitis, HIV, and other illnesses.[4] Across all ObamaCare plans, choice of doctors[5] and hospitals has grown narrower,[6] and drug coverage has gotten skimpier.[7]

One victim of ObamaCare's provisions encouraging discrimination against the sick is 8-year-old leukemia patient Collette Briggs.

When Colette was born in 2013, her family had a health plan that prohibited the insurer from dropping them or charging them higher premiums—that is, discriminating against them—if, say, their newborn daughter developed leukemia. Instead, ObamaCare threw the Briggs family out of that plan, dramatically increased their premiums, and encouraged insurers to discriminate against Colette.

In their struggle to get ObamaCare to cover her treatment, the Briggs family has written op-eds,[8] lobbied members of Congress, and even appeared on NPR[9] and in the *Washington Post*[10] to tell Colette's story. It still had to create a GoFundMe page.[11] Had ObamaCare simply left the Briggs family alone, Colette would have had better access to care.

The Kansas legislature can save Kansas families from that fate, and protect from discrimination patients who develop expensive illnesses, by allowing STM plans to offer greater consumer protections.

STM plans make health insurance more affordable, often costing 70 percent less than ObamaCare plans. At the same time, STM plans offer broader provider networks than ObamaCare plans.

In 2018, the federal government expanded consumer protections in STLDI plans by allowing insurers to protect enrollees who fall ill from medical underwriting for longer periods. The federal government allowed STLDI plans:

1. to have an initial contract term of up to 12 months rather than just 3 months;
2. to protect enrollees who fall ill from re-underwriting for up to 36 months; and
3. to offer stand-alone "renewal guarantees" that protect enrollees who fall ill from re-underwriting in perpetuity.

These changes shield STLDI enrollees who develop expensive illnesses from the higher premiums and coverage cancellations that might otherwise follow. Previous federal rules stripped consumers of these protections by limiting STLDI plans to three months and prohibiting renewal guarantees. Those federal rules threw Arizona resident Jeanne Balvin out of her STLDI plan after doctors diagnosed her with diverticulitis, leaving her with $97,000 of unpaid medical charges.[12]

Allowing Kansas residents to access these broader protections can even reduce premiums in the ObamaCare Exchanges. Canceling STLDI plans for patients like Balvin forces them into the Exchanges, where they have an adverse impact on ObamaCare's risk pools. Allowing enrollees to remain in their STM plans after they get sick can keep expensive patients out of ObamaCare's risk pools and thereby reduce ObamaCare premiums.

Kansas must protect its sickest residents by allowing all residents full freedom to purchase STM plans that protect them from re-underwriting and canceled coverage after they fall ill. Kansas legislators should:

1. allow consumers to purchase STM plans with an initial term of up to 12 months;
2. allow consumers to renew their initial STM contracts for up to 36 months;
3. allow consumers to purchase STM plans that protect them from re-underwriting at every renewal; and
4. allow consumers to purchase stand-alone "renewal guarantees" that protect them from re-underwriting in perpetuity.

Regardless of political party or ideology, we all share the goal of guaranteeing access to care for the sick. Colette Briggs' story illustrates that ObamaCare has not solved that problem. Kansas has an opportunity to allow innovators to offer even better solutions to this problem, while improving ObamaCare's performance along the way.

I look forward to testifying before your committee, where I will be happy to answer any questions the committee may have.